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CHARGE

## BEFORE THE ARIZONA CORPORATION COMMISSION

Arizona Corporation Commission

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WILLIAM A. MUNDELL

COMMISSION - CHAIRMAN NOV 20 2002

JIM IRVIN

COMMISSIONER

MARC SPITZER

COMMISSIONER

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AZ CORP COMMISSION  
DOCUMENT CONTROLIN THE MATTER OF THE GENERIC  
PROCEEDING CONCERNING ELECTRIC  
RESTRUCTURING ISSUES

) DOCKET NO. E-00000A-02-0051

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IN THE MATTER OF ARIZONA PUBLIC  
SERVICE COMPANY'S REQUEST FOR A  
VARIANCE OF CERTAIN REQUIREMENTS  
OF A.A.C. R14-2-1606

) DOCKET NO. E-01345A-01-0822

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IN THE MATTER OF THE GENERIC  
PROCEEDING CONCERNING THE  
ARIZONA ADMINISTRATOR

) DOCKET NO. E-00000A-01-0630

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IN THE MATTER OF TUCSON ELECTRIC  
POWER COMPANY'S APPLICATION FOR A  
VARIANCE OF CERTAIN ELECTRIC  
COMPETITION RULES COMPLIANCE  
DATES

) DOCKET NO. E-01933A-02-0069

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## NOTICE OF FILING OF OBJECTIONS

Stirling Energy Systems (SES), and intervenor in this proceeding, hereby files objections  
to testimony filed in this proceeding.

On this 20<sup>th</sup> day of November, 2002.

By:

Robert B. Liden  
Chief Financial and Administrative Officer  
Stirling Energy Systems

# **BEFORE THE ARIZONA CORPORATION COMMISSION**

**WILLIAM A. MUNDELL**  
**COMMISSION – CHAIRMAN**  
**JIM IRVIN**  
**COMMISSIONER**  
**MARC SPITZER**  
**COMMISSIONER**

<b>IN THE MATTER OF THE GENERIC</b>	<b>) DOCKET NO. E-00000A-02-0051</b>
<b>PROCEEDING CONCERNING ELECTRIC</b>	<b>)</b>
<b>RESTRUCTURING ISSUES</b>	<b>)</b>
	<b>)</b>
<b>IN THE MATTER OF ARIZONA PUBLIC</b>	<b>) DOCKET NO. E-01345A-01-0822</b>
<b>SERVICE COMPANY’S REQUEST FOR A</b>	<b>)</b>
<b>VARIANCE OF CERTAIN REQUIREMENTS</b>	<b>)</b>
<b>OF A.A.C. R14-2-1606</b>	<b>)</b>
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<b>PROCEEDING CONCERNING THE</b>	<b>)</b>
<b>ARIZONA ADMINISTRATOR</b>	<b>)</b>
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<b>POWER COMPANY’S APPLICATION FOR A</b>	<b>)</b>
<b>VARIANCE OF CERTAIN ELECTRIC</b>	<b>)</b>
<b>COMPETITION RULES COMPLIANCE</b>	<b>)</b>
<b>DATES</b>	<b>)</b>

**OBJECTIONS OF STIRLING ENERGY SYSTEMS**  
**By Robert B. Liden**

**November 20, 2002**

Stirling Energy Systems (SES) is an intervener in this proceeding but has not filed testimony. At this time, however, SES wishes to object to a portion of the rebuttal testimony filed by Staff's Mr. Alan Kessler. On page 13 of his testimony, Mr. Kessler indicated that renewable resources should be allowed to bid in this process but that utilities should not be required to give extra credit to these resources. This approach would effectively exclude renewable resources from the bidding process at this time because renewables are currently more expensive resources. Nonetheless, as evidenced by, at least, the APS showing of unmet needs, the renewable portfolio standard (RPS) requirement is not being met under the current regulatory scheme.

The existence of the RPS identifies the need for promotion of renewable energy generating resources in the short term in order for these resources to, in the long run, be price competitive with traditional generating resources. To the extent that the RPS is not being met, the Commission should promote other methods for insuring that it is, such as giving a preference to renewables in this bidding process.

In addition, SES wishes to comment on testimony filed by Mr. Robert W. Kendall on behalf of Welton-Mohawk Generating Facility. As indicated above, SES agrees that renewable energy should receive a preference in the bid process; however, Mr. Kendall suggests that the preference be limited to a renewable hybrid system, but not a straight renewable system. SES would like to see the Commission give additional preferences to all renewable bidders as a way to achieve the goals of the RPS. In addition, SES further suggests that certain types of renewables be given additional preference. For example, renewables that can be delivered inside the load pocket should be given credit for avoiding transmission constraints.

In summary, SES believes that the Commission's goals under the RPS can be furthered by specifically including renewable energy resources in this process. I would be available to testify in this proceeding if so required.

# BEFORE THE ARIZONA CORPORATION COMMISSION

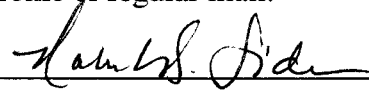
WILLIAM A. MUNDELL  
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DATES	)	

## Certificate of Service

I hereby acknowledge that I have, this 20<sup>th</sup> day of November, 2002, filed the enclosed documents on the service list in this proceeding via electronic or regular mail.

By: \_\_\_\_\_



Robert B. Liden  
Chief Financial and Administrative Officer  
Stirling Energy Systems